



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

January 30, 2014

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

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STATUS REPORT ON WORKERS' COMPENSATION CLAIMS ADMINISTRATION SYSTEM CONVERSION AND REQUEST FOR PROPOSALS

On February 28, 2012, the Board approved the recommendation to execute a sole source contract with P&C Claims, Inc. (P&C), for application hosting and maintenance services to support the workers' compensation claims administration system (System) and a conversion to a system with a relational database. At that time, the Board instructed the Chief Executive Officer (CEO) to immediately initiate the Request for Proposals (RFP) process for a workers' compensation claims administration system and to report back in July 2012, and every six months thereafter, on the status of the RFP development and the conversion of the current workers' compensation system to a relational database system. This memorandum provides the fourth status report on the system conversion and RFP development.

Conversion of Genlris to ClaimsVision

The CEO and P&C are engaged in a system conversion that will replace the current System (Genlris) with ClaimsVision. Initial discussion began in April 2012, and led to the development of a Project Charter. CEO and P&C have identified personnel to oversee the conversion of data from Genlris to ClaimsVision, configure necessary business processes and reporting, assure robust interfaces, and perform user-acceptance testing. Currently, CEO Risk Management Branch staff is navigating the operational claims management component of the system in a "sandbox" environment. Development in this area will continue through the next four to six months.

During the last six months, the primary focus has been on the development of automated interfaces and conversion tools that will convert legacy data to the new system. P&C has concluded the development of standard interfaces, including Bill Review, Claim Search, State reporting, and Reporting Solutions. Additional work has been completed on the conversion tools that will convert the legacy data to the new system. In the next several months, a plan will be created to utilize the Data Integrity Tool to identify and minimize data extraction issues.

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Conversion of Genlris to ClaimsVision (Continued)

On January 1, 2014, two new workers' compensation third party administrators began managing approximately 14,000 open workers' compensation claims. The workers' compensation claims transfer took approximately three months of preparation and will require continued training on County procedures and current claims administration system functionality. Due to this transfer, the ClaimsVision conversion "Go Live" date will take place in the first quarter of Fiscal Year 2014-15.

Milestone/Phase	Scheduled Completion
Development of Hierarchies	January 2013
Conversion of Static Historical Data	November 2013
Go-Live Simulation	February 2014
Quality Assurance – Unit Testing	April 2014
Quality Assurance – User Acceptance Testing	April 2014
Final Implementation	June 2014
Go Live	1 st Quarter FY 2014-15
Post Live Support and Project Closure	1 st Quarter FY 2014-15

Request for Proposals for New Claims Management System

On March 2, 2012, CEO issued a Work Order Request for Assistance with Solicitation for a Workers' Compensation Administration and Management Information System under the Risk Management and Insurance Consulting Services Master Agreement. Warren, McVeigh & Griffin, Inc. (WMG) was selected to assist in the development of the Statement of Work (SOW), RFP, and assist in the selection of a contractor. After soliciting a needs assessment from various system users, WMG developed a draft SOW.

Also, during the last six months, commencing with the release of a request for information (RFI) on July 15, 2013, the CEO Risk Management Branch has analyzed the current risk management claims management systems. Such systems include the management of workers' compensation, general liability, auto liability, small claims, and disability management. The CEO Risk Management Branch undertook an evaluation to assess, unify, and upgrade existing systems.

The CEO Risk Management Branch received numerous viable RFI responses from industry leaders, the majority of which indicated the ability to enhance the County's claims management functions across all functional areas. Accordingly, the CEO Risk Management Branch plans to issue a single comprehensive RFP that will include advanced claims management system functionality, including workers' compensation.

Each Supervisor
January 30, 2014
Page 3

The CEO plans to release the comprehensive RFP in August 2014 (after implementation of the ClaimsVision workers' compensation claims administration system) and provide the Board with a selection and recommendation in January 2016.

The CEO will provide another status report to the Board in July 2014.

If you have any questions or would like additional information, your staff may contact Steven T. Robles, Assistant Chief Executive Officer/County Risk Manager, at (213) 351-5346.

WTF:BC
STR:AR:rn

c: Executive Office, Board of Supervisors
County Counsel
Chief Information Officer